

REMARKS

Entry of this Amendment and reconsideration are respectfully requested in view of the amendments made to the claims and for the remarks made herein.

Claims 1-13 are pending. Claims 1, 5, and 10 are independent claims. Claims 1-13 have been amended to further clarify the invention.

The specification has been objected to for lacking section headings. Applicants respectfully submit that 37 CFR §1.77(b) discloses a *suggested* format for the arrangement of the disclosure. Applicants respectfully submit that the present disclosure follows the suggested format where applicable. With regard to 37 CFR §1.77(c), which was not cited in the Office Action, Applicants respectfully submit that section headings are suggested but not required, as 37 CFR §1.77(c) clearly states the sections defined in paragraphs (b) (1) through (b) (11) "should" be preceded by a section heading. Applicants respectfully decline at this time to amend the disclosure to include same.

Claims 1-13 stand objected to because of the minor informalities. In particular, the Office Action objected to these claims as they contain numerals and abbreviations associated with the limitations recited in the claims are not used, thus removed to improve readability of the claims. In response, applicant has deleted numerals and abbreviations to comply with the Office Action.

Claims 1, 2, 8, 10, and 11 stand rejected under 35 USC 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter. In response, applicant has amended these claims to correct improper antecedent basis as set in the Office Action.

Accordingly, applicant respectfully request withdrawals of the above objections.

Claims 1-13 stand rejected under 35 USC 102(b) as being anticipated by the admitted prior art (APA) of Applicant's background.

Claim 1, as amended, now recite, "**determining the bonus information item (BI) for the user of the recording device** from the number of recorder identification information items transferred during a billing period to the authorizing device **by other users of the playback device**...". Claims 5 and 10 recite similar features.

The Office Action indicates that the applicant's prior art section, which recites WO99/03277, anticipates all of the limitations in the base claims.

Applicant respectfully submits that WO99/03277 discloses a pay per view system having an authorizing device, a set top box and a playback device, wherein a user of the pay per view system is credited when the user has played back, and also paid for, a specific number of chargeable films during a billing period of one month, for example (Page 2, first paragraph). However, WO99/03277 fails to address the need to address an incentive for a user of the system to canvass an acquaintance or friends as a new user for the pay per view system, in order thus to increase the number of playbacks of chargeable films (Page 2, second paragraph). In order to address this need, the present invention provides means to provide incentive bonus to a specific user when that user's friend or acquaintance borrows the same DVD content for their own uses.

Accordingly, the applicant's prior art fails to show or teach "**determining the bonus information item (BI) for the user of the recording device** from the number of recorder identification information items transferred during a billing period to the authorizing device **by other users of the playback device...**", as recited in the base claims.


Applicant believes that claims 1, 5, and 10, as amended, are in a condition indicated to be allowable. With regard to the remaining claims, these claims depend from the independent claims, which are believed to be in allowable form. Accordingly, the remaining claims are also believed to be allowable by virtue of their dependency upon an allowable base claim.

For all the foregoing reasons, it is respectfully submitted that all the present claims are patentable in view of the cited references. A Notice of Allowance is respectfully requested.

Respectfully submitted,

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